

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:395

ANSWERED ON:11.05.2006

MODERNISATION OF DELHI AND MUMBAI AIRPORTS

Das Gupta Shri Gurudas;Reddy Shri Suravaram Sudhakar

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Operation, Management and Development Agreements (OMDAs) between the Airports Authority of India (AAI) and the Joint Venture Companies (JVCs) for the modernisation of Delhi and Mumbai Airports have been signed;
- (b) if so, the details alongwith the terms and conditions thereof;
- (c) whether the Tripartite Committee, as assured by the Government for withdrawal of the strike by the AAI employees, to look into the modernisation programmes has been set up;
- (d) if so, the details thereof; and
- (e) the recommendations made by the said Committee?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a), (b), (c), (d) & (e): A Statement is the laid on the Table on the House.

Statement in reply to parts (a), (b), (c), (d) & (e) of Lok Sabha Starred Question No.395 for 11.05.2006 regarding Modernisation of Delhi and Mumbai Airports. (a): Yes, Sir.

(b): The terms and conditions of Operation, Management and Development Agreement (OMDA) are as follows:

The term of OMDA is for a period of 30 years with an option of extension for an additional term of 30 years subject to satisfactory performance and no material breach of contracts. The JVC is required to provide a masterplan for development of the airport within 6 months. The agreements also includes obligation of JVC to absorb a minimum 60% of AAI employees, observance of competitive bidding process for major works/contracts and lists out the events of defaults etc. It also inter-alia provides for settlement of disputes as well. Suitable penalties are also included in OMDA for non compliance of various requirements namely commencement and completion of Mandatory Capital Project and service quality standards etc. Each JVC has submitted a Performance Bond in the form of a Bank Guarantee for an amount of Rs.500 crores. Consortium Members of both the JVCs have also submitted a n Equity Bank Guarantee of Rs.352 crores in favour of JVC guaranteeing their equity commitment as per the Business Plan submitted by JVC after adjusting for initial subscription. Each JVC has paid to Airports Authority of India (AAI) an upfront fee of Rs.150 crores . Besides, JVC for Delhi Airport shall also pay to the AAI an annual fee of 45.99 % of projected Revenue for each Year during the Term of OMDA. While JVC for Mumbai Airport shall pay to the AAI an annual fee of 38.70 % of projected Revenue for each Year during the Term of OMDA. Each Airport Operator for Delhi and Mumbai Airports is required to submit a unconditional & irrevocable Bank Guarantee from a scheduled commercial bank of Rs.300 crores in favour of JVC but encashable by AAI valid for the duration of Airport Operator Agreement. During the Operation Support Period of three years from the Effective Date the JVC shall pay to the AAI, monthly Operation Support Cost in relation to General Employees. Since all conditions precedent have been fulfilled the `Effective Date` has been notified as 03.05.2006.

(c) & (d) Yes, Sir. A Tripartite Committee comprising of the representatives from AAI, AAI Employees Joint Forum and Ministry of Civil Aviation has been set up on 22.02.2006 to look into the issues and proposals of modernizing airports by AAI and employees related issues including their job security.

(e): Although the Committee has met thrice, the report of the Committee is yet to be submitted.